

**THE IMPACT ON INCREASE IN FUEL PRICE ON MISC
INTEGRATED LOGISTICS SDN BHD (MILS)
ROAD HAULAGE USAGE
FOR THE YEAR 2004 UNTIL 2006**

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TABLE OF CONTENTS

TABLE OF CONTENTS	PAGE
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
LIST OF FIGURE	viii
ABSTRACT	ix
 CHAPTERS	
1. INTRODUCTION	
1.1 Introduction	2
1.2 Background of the Study	3
1.2.1 The Relationship Between the Haulage Road Usage with the Increasing in Fuel Price.	5
1.3 Problem Statement	6
1.4 Research Questions	7
1.5 Objectives of the Study	7
1.6 Scope of the Study	8
1.7 Limitations of the Study	8
1.8 Significances of the Study	9
1.9 Hypothesizes	10
1.10 Definition of Terms	11
 2. LITERATURE REVIEW	
1.11 Literature Review	14
1.11.1 The Road Haulage Usage by Movement/Trip	15
1.11.2 Total Number by Container	16
1.11.3 The Increase In Price and Consumption of Fuel	16
1.12 Theoretical Framework	20
 3. RESEARCH METHODOLOGY AND DESIGN	
3.1 The Research Methodology and Design	22
3.2 The Data Collection Method	22
 4. ANALYSIS AND INTERPRETATION OF DATA	
4.1 The Analysis And Interpretation of Data	25
4.2 Durbin-Watson Test	25
4.3 Coefficient of Determination (R^2)	26
4.4 Coefficients	26
4.5 Hypothesizes	27

ABSTRACT

The objective of the study is to identify the impact on increase in fuel price on MISC Integrated Logistics Sdn Bhd (MILS) haulage usage for year the 2004 until 2006. The study focus on the impact either positive or negative to the haulier operator when there is increased in fuel price. The dependent variable is the number of haulage by trip/movement and independent variable is the total number by container, the diesel price and the fuel consumption.

The method used to analyze are the multi linear regression. Under this the data analyzed using the Durbin-Watson Test, Coefficients of Determination (R^2), Coefficient, and Hypothesis (P-Value). The result indicates that there are no significant relationships with the haulage road usage when the price of fuel increases. In the study also indicate positive relationship between the numbers of haulage road movements with the total number by containers.

1.1 Introduction

Transportation is one of major components in logistics activities. The definition of transportation is the process of movement or flow of goods from the point of origin to the point of consumption.

According by James and Douglas (2001) logistics or supply chain involve several activities include customer service, inventory management, transportation, warehousing and order processing. In Malaysia, logistics is important because these activities will improve both profitability and competitive performance of firms. There are five basic transportation modes which include motor/truck, rail, air, water and pipelines.

The container haulage operation by road is a dedicated form of transport, which is designed to haul only containers. It consists of a prime mover or a transaction unit and a trailer unit upon which a container is loaded. The definitions of haulage in New Oxford Dictionary, 2003, 7th Impression are 'transportation of goods by road, rail, etc; the money charged for this'

Haulage road operator is one of transportation modes by motor. In Malaysia throughout 1980s and 1990s there are increasing numbers in volumes of international trade using containerization led to the rapid growth of container traffic. Among the haulage operators in Malaysia includes MISC Haulage Sdn Bhd, Kontena Nasional Berhad, Konsortium Perkapalan Bhd, Di Perdana Corporation Bhd, and Multimodal Freight Bhd.

Transportation costs represent approximately 40 to 50 percent of total logistics costs and 4 to 10 percent of the selling price for many companies. Thus it is important for the companies to choose the right mode of transportation. The